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SUBJECT: ASAD PROMOTES SHARA'A TO VP IN MAJOR CABINET

RESHUFFLE

Classified By: Charge d'Affaires Stephen A. Seche, per 1.4 b,d.

- 11. (C) Summary: In a major cabinet reshuffle, Syrian President Bashar al-Asad promoted his foreign minister to Vice President and appointed 11 new ministers with portfolio (and three new ministers of state). He retained his PM, DPM, and 17 ministers (three without portfolio). The most important changes were at the Ministries of Foreign Affairs, Information, and Interior. He did not change the core of his economic team or his defense minister. Most contacts rejected the idea that the new cabinet signaled any significant change of direction or opening to the U.S. One contact said the cabinet reflected the regime's sense that it does not face any critical external threat or significant internal pressure. End Summary.
- 12. (C) OUTLINING THE CHANGES: In a major cabinet shakeup February 11, President Bashar al-Asad made changes at the Foreign Affairs, Information, and Interior Ministries; he kept Naji al-Otri as PM and Abdullah Dardari as Deputy PM for Economic Affairs. FM Farouk a-Shara was named vice-president in charge of "following up the implementation of foreign policy and media policy," filling a slot left vacant since former VP Abdul Halim Khaddam resigned last summer. In addition to Shara'a's appointment, Asad appointed a total of 11 new ministers with portfolio and three new ministers of state. Changes were also made at the Ministries of Culture, Petroleum, Electricity, Housing and Construction, Industry, Transportation, Communications, and Higher Education.
- 13. (C) The new appointees join the PM and DPM and 14 re-appointed ministers with portfolio and three re-appointed ministers of state. The reshuffle had been widely anticipated for months. The last major reshuffle was in October 2004.
- 14. (C) THE NEW FM: Newly appointed FM Walid Mu'allim, who previously served as the Deputy FM, is a Damascene Sunni and considered the most experienced, capable, and pro-U.S. diplomat in the Foreign Ministry. He served for nearly a decade as Syria's Ambassador to the U.S. Feisal Mekdad, Syria's PermRep to the UN, and a Shara'a protege, was named DFM. Other significant appointments included a new Minister of Interior, General Bassam Abdul-Majid, who was head of the Military Police, and a new Minister of Information, Mohsin Bilal, who had been serving as the Syrian ambassador to Spain. Asad re-appointed his current Minister of Defense, Hassan Turkmani.
- 15. (C) NO CHANGE IN CORE ECONOMIC TEAM: Asad did not change his reformist-oriented Deputy PM for Economic Affairs, Abdullah Dardari, or his Minister of Finance, Mohammed

al-Hussein, widely regarded as an Old Guard (but influential) Ba'athist who regularly competes with Dardari for control over SARG economic policy. Asad's Minister for Economy and Trade, Amer al-Lutfi was also retained.

- 16. (C) PRO-SARG SPIN: A Syrian foreign affairs analyst considered close to the regime told Polchief the re-shuffle indicates that "the changes have begun, but not under pressure, either external or internal." He singled out the appointment of Mu'allim, noting that since Mu'allim is an "open-minded pragmatist," with long service in the U.S., his appointment serves notice that Syria wants good relations and dialogue with the U.S.
- (C) OTHERS SEE LITTLE CHANGE COMING: Other contacts rejected the idea that this new cabinet signaled any significant change in direction or opening to the U.S. FM Mu'allim is given high marks for his professional competence, most contacts questioned whether he would have sufficient impact on policy to re-orient it in a direction more favorable to U.S. interests, assuming he were so inclined. Some, like his friend Dr. Samir al-Taki, noted that while he would have no trouble keeping Mikdad, the newly appointed DFM, under control, Mu'allim would have no control, for example, over Syria's burgeoning relations with Iran, which were run out the security services by GID branch chief Mohammed Nassif Khairbek. Other contacts insisted that Asad runs most of Syria's foreign policy. Mu'allim has been put in place to implement those policies and does not have the temperament or regime support to challenge such policies in any significant way, assess a range of contacts. Al-Taki expressed doubt that the appointment of Mu'allim represented a sign of Asad dissatisfaction with former FM Shara'a policies, noting that in fact Asad was generally happy with Shara'a's advice, in particular over the past several months,

and found that advice reflected his own policy views. (Comment: It is unclear to what degree, if any, Shara'a will be marginalized, at least regarding foreign affairs, with this new appointment. We suspect that from his new perch, and his pre-existing seat on the Ba'ath Party Regional Command, Sha'ara will continue to exercise substantial influence over Syrian policies.)

- 18. (C) HOUSE-CLEANING AT "SERVICES" MINISTRIES: Ba'athist reformer Ayman Abdul Noor noted that "the clear message" of this cabinet is "no political reform, no change in foreign policy, and no change in the slow pace of economic reform." Several contacts noted that Asad had cleared out all the ministers serving in "service ministries" such as housing and construction, transportation, and electricity, where public dissatisfaction with SARG performance was felt most strongly and could be addressed most easily. Abdul Noor said the new cabinet reflected the regime's sense that at present they do not face an external threat strong enough to unseat them, nor any significant internal pressure.
- 19. (C) QUESTIONS OF COMPETENCE, INDEPENDENCE: Some contacts questioned the competence of many of the new appointees. Economist (and disappointed aspiring Minister of Finance) Riyad Abrash termed the cabinet weak and certain to be overly deferential to Asad. "All of them will be part of the puppet show, reflecting the whim of the master," said Abrash. Many of the men are known personally to Asad, men he views as moderate economic reformers, with shared interests, for example in IT issues. Two of them, Amr Salem and Ghiath Barakat, like Asad, are founding members of the Syrian Computer Society, an important NGO whose leadership have gone on to high office or prestigious ambassadorial assignments. Several contacts speculated that several outgoing ministers, including Ghassan Tayyara at Industry, had been dumped because of their close ties to former VP Khaddam.
- ¶10. (C) BACKGROUND ON APPOINTMENT AT INTERIOR: Abdul Majid, the new Minister of Interior filling the place vacated by the deceased Ghazi Kana'an, is of Circassian origin, a small Sunni minority in Syria. He served in the past as a

senior officer in Syrian Military Intelligence. According to Abdul Noor, he is intelligent, with an interest in IT, and had a falling out with then-SMI deputy head Asif Shawkat. He is thought to have very good relations with Maher al-Asad, the President's brother, which several contacts pointed to as a sign that Shawkat's relations with Bashar and Maher have deteriorated further. Abrash, for example, who maintains close ties to the security services, said that they felt Bashar had frozen them out, refusing to appoint any of the names they had put forward, because of suspicions about Shawkat's influence. Another contact, perhaps reflecting this animus from elements in the security services, said that Abdul Majid had a reputation for corruption, although Abdul Noor dismissed that charge as unfounded rumor.

- 111. (C) . . . AND AT INFORMATION: Bilal, the new Minister of Information, is a surgeon from a prominent Alawite family, with long-standing Ba'ath Party connections. Contacts describe him as sophisticated, with good connections in Europe and the U.S. He a former member of Parliament, where he headed the Committee on Foreign Affairs. He has no previous experience in media relations, according to contacts, who expressed divided views about how effective he would be in office. He did some of his medical training in the U.S.
- 112. (C) THE OTHER NEW MINISTERS: Ghiath Barakat has been appointed Minister of Higher Education, replacing the generally well-thought-of Dr. Hani Murtada. Barakat, a former member of Ba'ath Party Regional Command, in charge of the Education Office, was educated in the U.S. Dr. Riyad Naasan al-Agha, also a former MP, has been appointed the Minister of Culture. He was serving as Syria's Ambassador to the UAE and formerly served as Ambassador to Oman, after serving as an advisor to Bashar al-Asad. He is a playwright and is considered a traditional Ba'athist.
- 113. (C) The new Minister of Housing and Construction is Hamoud al-Hussein. His primary qualification for the job is that he is a Sunni from Hama, according to Abdul Noor. (Note: A Sunni from Hama in the previous cabinet, a minister without portfolio, resigned recently under government pressure.) The new Minister of Transportation is Ya'aroub Sulieman Badr, an Alawite. He is reportedly a close friend of business mogul Rami Makhlouf. The new Minister of

Petroleum, Sufian Allaw, served competently as the former Deputy Minister of Electricity, but is reportedly not very familiar with the oil industry, note contacts. The new Minister of Industry, Dr. Fouad Issa Jonie, replaces Ghassan Tayyara, generally considered to have been an Old Guard figure and a crony of former VP Khaddam. The new minister of Electricity, Ahmad Khalid al-Ali, is a technocrat with a background in electricity and IT, although one contact questioned whether he was really knowledgeable in the field.

- 114. (C) The new Minster of Communications and Technology is Dr. Amr Salem, who had been serving as an economic advisor to Asad. A former Microsoft engineer, he is a former founding member of the Syrian Computer Society and a U.S. green card holder. Some observers believe that serving as a minister will decrease Salem's influence, as he gives up his role personal advisor to Asad. The three new ministers without portfolio represent small parties included in the National Progressive Front, the ruling coalition dominated by the Ba'ath Party.
- 115. (U) Two of the new appointees did graduate studies in the U.S. and four others studied in Europe. One studied in Moscow and the rest did their studies in Syria. (Note: Further biographical details will be forwarded by email.) SECHE